

EXHIBIT 1

INTRODUCTION

Respondent Agapito (“Pete”) Fajardo was a successful candidate for mayor of the City of Carson in the March 4, 1997 municipal election, and served in that position until 2002. Respondent Friends of Pete Fajardo, also known as “Committee to Elect Pete Fajardo” and “Committee to Re-elect Mayor Pete Fajardo” (the “Committee”),¹ was the controlled committee of Respondent Pete Fajardo. Respondent Natividad Odal began serving as treasurer for Respondent Committee on January 27, 1999, and has served in that capacity at all relevant times thereafter.

Candidates and committees have an obligation to comply with the campaign reporting and prohibitory provisions of the Political Reform Act (the “Act”).² In this matter, Respondents committed several campaign violations by: (1) accepting two cash loans totaling \$5,000; (2) failing to report required contributor information for approximately 170 contributors, whose campaign contributions totaled \$68,298, during five separate reporting periods; (3) failing to report required information for approximately 40 campaign expenditures, totaling \$46,727, during five separate reporting periods; (4) making cash campaign expenditures totaling \$8,000; (5) making campaign expenditures from an account other than the campaign bank account; (6) failing to report required lender information for two loans totaling \$30,000; and (7) depositing contributions into an account other than the campaign bank account.

For the purposes of this Default Decision and Order, Respondents’ violations of the Act are as follows:

- COUNT 1:** On or about February 15, 1997, Respondents Pete Fajardo and Friends of Pete Fajardo accepted a \$3,000 cash loan from Ernesto Marzo, in violation of section 84300, subdivision (a).
- COUNT 2:** On or about February 15, 1997, Respondents Pete Fajardo and Friends of Pete Fajardo accepted a \$2,000 cash loan from Paul Fajardo, in violation of section 84300, subdivision (a).
- COUNT 3:** Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required contributor information for 30 contributions of \$100 or more totaling \$7,739, on a second pre-election campaign statement, for the reporting period January 19 through February 15, 1997, filed on or about

¹ In 1997, Respondent Pete Fajardo changed the name of Respondent Committee to “Committee to Elect Peter Fajardo,” but did not file a statement of organization reflecting that change as required by section 84101. On January 28, 1999, Respondent Pete Fajardo filed an amended statement of organization renaming Respondent Committee to “Committee to Re-elect Mayor Pete Fajardo.”

² The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, title 2, sections 18109-18996. All regulatory references are to title 2 of the California Code of Regulations.

February 20, 1997, in violation of section 84211, subdivision (f).

- COUNT 4: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required payee information for an expenditure of \$1,790 on a second pre-election campaign statement, for the reporting period January 19 through February 15, 1997, filed on or about February 20, 1997, in violation of section 84211, subdivision (k).
- COUNT 5: On or about and between April 9 through June 30, 1997, Respondents Pete Fajardo and Friends of Pete Fajardo made four cash expenditures of \$100 or more totaling \$8,000, in violation of section 84300, subdivision (b).
- COUNT 6: On or about and between April 9 and June 30, 1997, Respondents Pete Fajardo and Friends of Pete Fajardo made four expenditures totaling \$8,000, from an account other than the campaign bank account, in violation of section 85201, subdivision (e).
- COUNT 7: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required contributor information for 89 contributions of \$100 or more totaling \$14,685 on a semi-annual campaign for the reporting period February 16 through June 30, 1997, filed on or about July 31, 1997, in violation of section 84211, subdivision (f).
- COUNT 8: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required lender information for a loan of \$1,000 on a semi-annual campaign statement, for the reporting period February 16 through June 30, 1997, filed on or about July 31, 1997, in violation of section 84211, subdivision (g).
- COUNT 9: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required payee information for 12 expenditures totaling \$3,865, on a semi-annual campaign statement for the reporting period February 16 through June 30, 1997, filed on or about July 31, 1997, in violation of section 84211, subdivision (k).
- COUNT 10: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required lender information for a loan of \$20,000 on a semi-annual campaign statement, for the reporting period July 1 through December 31, 1997, filed on or about January 31, 1998, in violation of section 84211, subdivision (g).
- COUNT 11: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required lender information for a loan of \$10,000 on a semi-annual campaign statement, for the reporting period July 1 through December 31, 1997, filed on or about January 31, 1998, in violation of section 84211, subdivision (g).

- COUNT 12: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required payee information for an expenditure of \$10,000 on a semi-annual campaign statement, for the reporting period July 1 through December 31, 1997, filed on or about January 31, 1998, in violation of section 84211, subdivision (k).
- COUNT 13: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required contributor information for 12 contributions of \$100 or more totaling \$5,800 on a semi-annual campaign statement, for the reporting period January 1 through June 30, 1998, filed on or about August 3, 1998, in violation of section 84211, subdivision (f).
- COUNT 14: Respondents Pete Fajardo and Friends of Pete Fajardo failed to report required payee information for three expenditures totaling \$13,750 on a semi-annual campaign statement, for the reporting period January 1 to June 30, 1998, filed on or about August 3, 1998, in violation of section 84211, subdivision (k).
- COUNT 15: During the reporting period January 1 through June 30, 1998, Respondents Pete Fajardo and Friends of Pete Fajardo failed to deposit 10 contributions totaling \$6,000 in the campaign bank account, in violation of section 85201, subdivision (c).
- COUNT 16: Respondents Pete Fajardo, Friends of Pete Fajardo and Natividad Odal failed to report required contributor information for 40 contributions of \$100 or more totaling \$9,074 on a semi-annual campaign statement, for the reporting period July 1 through December 31, 1998, filed on or about February 1, 1999, in violation of section 84211, subdivision (f).
- COUNT 17: Respondents Pete Fajardo, Friends of Pete Fajardo, and Natividad Odal failed to report required payee information for 15 expenditures totaling \$10,660 on a semi-annual campaign statement for the reporting period July 1 to December 31, 1998, filed on or about February 1, 1999, in violation of section 84211, subdivision (k).
- COUNT 18: Respondents Pete Fajardo, Friends of Pete Fajardo, and Natividad Odal failed to report required payee information for four expenditures made by agents totaling \$5,317 on a semi-annual campaign statement for the reporting period July 1 to December 31, 1998, filed on February 1, 1999, in violation of section 84303.

PROCEDURAL HISTORY

In 1997 and 1998, the Enforcement Division received three complaints against

Respondents. The Enforcement Division completed its investigation of the three complaints in 1999. That same year, officials from the Federal Bureau of Investigation requested that the Enforcement Division delay an administrative prosecution of the case to enable federal officials to investigate other more serious violations. In February 2002, to preserve its case, the Enforcement Division initiated a formal enforcement action with the service of a Report in Support of a Finding of Probable Cause on Respondents Pete Fajardo, Committee and Natividad Odal. A probable cause conference was held in this matter in March 2002. Respondents Pete Fajardo and Committee appeared at the conference by telephone with their attorney, Manny Ibay. Respondent Natividad Odal did not appear at the probable cause conference.

In April 2002, the Executive Director issued an Order Finding Probable Cause, determining that there was probable cause to believe Respondents committed 24 violations of the Act. Thereafter, an Accusation was personally served on each of the respondents. Pursuant to the California Administrative Procedure Act (the “APA”),³ a respondent is entitled to a hearing on the merits of an Accusation if the respondent files a Notice of Defense within 15 days after service of the Accusation. (Section 11506.) The APA further provides that a respondent’s failure to file a Notice of Defense within 15 days after service of an Accusation constitutes a waiver of the respondent’s right to a hearing. (Section 11506, subdivision (c).) A default decision may be issued if the respondent fails to file a Notice of Defense within 15 days of service of the Accusation. (Section 11520, subdivision (a).) Along with the Accusation, Respondents were served with a “Statement to Respondent” that explained the statutory requirement that a respondent return a Notice of Defense within 15 days or else waive his or her right to a hearing. Respondents were also served with two copies of the Notice of Defense form, a copy of the Order Finding Probable Cause, and copies of relevant APA provisions

During the course of the Commission enforcement proceedings, Respondent Pete Fajardo became the subject of a federal indictment and has pleaded guilty to two counts of extortion. Respondent is now awaiting a sentencing hearing to be scheduled after Respondent assists federal officials in other public corruption cases.

Within 15 days of receiving service of the Accusation, Respondents Pete Fajardo and Committee filed a Notice of Defense requesting that a hearing be held. Respondent Natividad Odal did not file a Notice of Defense, and thereby waived her right to hearing. A hearing in Los Angeles against Respondents Pete Fajardo and Committee was scheduled in March 2003, and subsequently continued to November 6, 2003.

Prior to the continued date for the hearing, Respondents Pete Fajardo and Committee engaged in serious settlement discussions with the Enforcement Division in order to try to resolve the matter without going forward with the scheduled hearing in Los Angeles, that was expected to involve at least ten witnesses and hundreds of documentary exhibits. As a result of those discussions, the parties arrived at a proposed settlement that would enable them to overcome the past obstacles to settlement, such as Respondents’ claimed lack of financial resources to pay a large administrative penalty in conjunction with a stipulated settlement, while still addressing Respondents’ serious violations of the Act.

³ The Administrative Procedure Act is contained in sections 11370 through 11529 of the Government Code.

Pursuant to the proposed settlement, the Enforcement Division filed an amended Accusation in the case, reducing the number of counts from 24 to 18. This amended Accusation only alleges the reporting violations committed by Respondents, as those are the violations that produced the most public harm, and deletes the technical recordkeeping violations that were secondary to those reporting violations. In return, Respondents Pete Fajardo and Committee agreed to withdraw their Notice of Defense, and to sign a confession of judgment to be filed in civil court for \$36,000, the maximum administrative penalty that may be imposed for the 18 counts now alleged. The confession of judgment is contingent upon the Commission adopting this proposed Default Decision and Order. By settling the case in this manner, the Enforcement Division was able to reach a more expeditious and economical resolution of the matter than through continued litigation, and still stay consistent with its purpose of imposing significant penalties for serious violations of the Act.

SUMMARY OF THE LAW

Duty to File Periodic Campaign Statements

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act therefore establishes a campaign reporting system designed to accomplish this purpose of disclosure.

One feature of this system is section 84200, subdivision (a), which requires a recipient committee, as defined in section 82013, subdivision (a), to file semi-annual campaign statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31. In addition, section 84200.5, subdivision (e) requires a recipient committee that is a state general purpose committee, as defined in section 82027.5, subdivision (b), to file two pre-election campaign statements before an election in which the committee has contributed \$500 or more. Section 84200.8, subdivision (a) provides that the first pre-election statement, for the reporting period ending 45 days before the election, must be filed no later than 40 days before the election. Section 84200.8, subdivision (b) provides that the second pre-election statement, for the reporting period ending 17 days before the election, must be filed no later than 12 days before the election.

Pursuant to section 84215, subdivision (a), a state general purpose committee must file an original and a copy of its periodic campaign statements with the Secretary of State; and two copies with the clerk of the county in which it is domiciled, the Registrar-Recorder of the County of Los Angeles, and the Registrar of Voters of the City and County of San Francisco.

Prohibition Against Cash Contributions and Expenditures

Section 84300, subdivision (a) states that “[n]o contribution of one hundred dollars (\$100) or more shall be made or received in cash.” Section 84300, subdivision (b) states that

“[n]o expenditure of one hundred dollars (\$100) or more shall be made in cash.” Section 84300, subdivision (c) requires that all contributions of \$100 or more be made in the form of a written instrument containing the name of the contributor and drawn from the account of the contributor.

Duty to Report Information Regarding Contributions, Loans and Expenditures of \$100 or More

Section 84211, subdivision (f) requires that on campaign statements, a candidate and his or her committee must report the following information about any person who has contributed \$100 or more to the committee, and has made a contribution to the committee during the reporting period covered by the campaign statement: (1) the contributor’s full name; (2) the contributor’s street address; (3) the contributor’s occupation; (4) the name of the contributor’s employer, or if self-employed, the name of the contributor’s business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.

Section 84211, subdivision (g) requires that on campaign statements, a candidate and his or her committee must report the following information about any person who has made a loan of \$100 or more to the committee, and the loan was outstanding during the reporting period covered by the campaign statement: (1) the lender’s full name; (2) the lender’s street address; (3) the lender’s occupation; (4) the name of the lender’s employer, or if self-employed, the name of the lender’s business; (5) the date and amount of the loan received from the lender during the reporting period; (6) the due date and interest rate of the loan; (7) the cumulative payment made or received to date at the end of the reporting period; (8) the balance outstanding at the end of the reporting period; and (9) the cumulative amount of contributions received from the lender.

Section 84211, subdivision (k) requires that on campaign statements, a candidate and his or her committee must report the following information about any person to whom an expenditure of \$100 or more has been made by the committee: (1) the payee’s name; (2) the payee’s street address; (3) the amount of the expenditure; and (4) a brief description of the consideration for which the expenditure was made.

One Campaign Bank Account Requirement

Section 85201, subdivision (a) requires candidates to establish one campaign bank account. Section 85201, subdivision (c) requires the candidate to deposit all contributions and loans made to the candidate in the campaign bank account. Section 85201, subdivision (e) requires the candidate to make all campaign expenditures from the campaign bank account.

Campaign Expenditures Made by Agents

Section 84303 requires candidates and committees to report all expenditures of \$500 or more made by an agent on behalf of the candidate or committee, as if the candidate or committee made the expenditure directly. Section 84303 requires the agent to supply the necessary

information to the candidate or committee. Regulation 18431, subdivision (d) requires the agent to provide the information no later than three working days before the candidate or committee must file its next campaign statement

Liability of Committee Treasurers

Under section 81004, subdivision (b), section 84100, and regulation 18427, subdivision (c), it is the duty of a committee's treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. (Sections 83116.5, 91006.)

SUMMARY OF THE FACTS

COUNTS 1-2

Accepting Illegal Cash Loans

Respondents Pete Fajardo and the Committee were prohibited from accepting any contributions or loans of \$100 or more in the form of cash. On February 15, 1997, according to Respondents' amended campaign statement for the reporting period January 19 through February 15, 1997, Respondents accepted two cash loans. The first cash loan was in the sum of \$2,000. According to statements made by the lender of this loan to Commission Investigator Dolores Johnson, the source of the \$2,000 loan was Respondent Pete Fajardo's brother, Paul Fajardo. The second cash loan was in the sum of \$3,000. According to statements made by the second lender to Commission Investigator Sandra Buckner, the source of the \$3,000 loan was Respondent Pete Fajardo's office manager, Ernesto Marzo. By accepting two cash loans of \$100 or more, Respondents committed two violations of section 84300.

COUNT 3

Failure to Itemize Contributions on Second Pre-election Campaign Statement

Respondents Pete Fajardo and Committee had a duty to report required information for any contributor of \$100 or more to Respondent Committee. On February 20, 1997, according to records maintained by the Carson City Clerk's Office, Respondents filed a second pre-election campaign statement, for the reporting period January 19 to February 15, 1997. On the second pre-election campaign statement, Respondents did not itemize any contributions. During that period, according to Respondents' bank records, Respondents received 30 contributions of \$100 or more, totaling \$7,739. The 30 contributions were as follows:

	Date	Contributor	Amount
1.	01/22/97	JBL Dental	198
2.	01/22/97	PSR Tax & Business Services	100
3.	01/22/97	The Car Emporium	100
4.	01/22/97	Hilario, Juanito	100
5.	01/22/97	Landero II, Reynaldo	100

6.	01/22/97	Rivera, Ely	100
7.	01/22/97	Indica, Salvation	198
8.	01/22/97	Villanueva, Arturo	297
9.	01/22/97	Cu, Tomas	198
10.	02/03/97	B & R Impex	1,000
11.	02/03/97	Enriquez, Antonio	500
12.	02/03/97	Baylon, Rupito	100
13.	02/03/97	Angelica Guest Home	100
14.	02/05/97	Olaes, Guillermo	100
15.	02/09/97	Townsend, Anorene	100
16.	02/09/97	Asis, Rodolfo	200
17.	02/09/97	DMA Clinical Lab	100
18.	02/09/97	Hollywood Book and Poster	650
19.	02/12/97	Tessie Pacific Corp.	100
20.	02/12/97	Galang, Crispin	100
21.	02/12/97	De La Vega, Jovenio	100
22.	02/12/97	Forex Cargo (Cal) Inc.	500
23.	02/13/97	Law Offices of Michael Gurfinkel	1,000
24.	02/13/97	Tambuli Corp.	100
25.	02/13/97	Manlapaz, Carlos	500
26.	02/13/97	Batucal, Santos	100
27.	02/13/97	Tingson, Lilia	100
28.	02/13/97	Santa Fe Medical Office	298
29.	02/14/97	Townsend, Tammy	100
30.	02/14/97	Zipperian, David	500
Total			\$7,739

By failing to report required information for 30 contributions of \$100 or more, respondents violated Section 84211, subdivision (f).

COUNT 4

Failure to Itemize Expenditure on Second Pre-election Campaign Statement

Respondents Pete Fajardo and Committee had a duty to report required information for any campaign expenditure of \$100 or more made by Respondent Committee. On February 20, 1997, Respondents filed a second pre-election campaign statement, for the reporting period January 19 to February 15, 1997. During that period, according to Respondents' bank records, Respondents made an expenditure of \$1,790 to Colby Poster. Respondents did not itemize the expenditure on the February 20, 1997 campaign statement. By failing to report required information for an expenditure of \$100 or more, Respondents violated section 84211, subdivision (k).

COUNT 5

Failure to Disclose a Loan

Respondents Pete Fajardo and Committee were required to report required information for any loan of \$100 or more made to Respondent Committee. This requirement applies to both short-term and long-term loans. On April 8, 1997, according to Respondents' bank records, Rosario Bonoan made a \$1,000 loan to Respondent Pete Fajardo. On July 31, 1997, Respondents filed a semi-annual campaign statement, for the reporting period February 16 to June 30, 1997. Respondents did not report the \$1,000 loan on their July 31, 1997 campaign statement. According to statements made by Rosario Bonoan to Commission Investigator Sandra Buckner, Respondents reimbursed the \$1,000 loan soon after receiving the loan. Respondents, however, did not report the repayment of the loan on their July 31, 1997 campaign statement. By failing to report the receipt of a \$1,000 loan and the repayment of that loan, Respondents violated section 84211, subdivision (f).

COUNTS 6-7

Prohibited Cash Expenditures in the Form of Loan Repayments

Respondents Pete Fajardo and Committee were prohibited from making any campaign expenditure of \$100 or more in cash. On February 15, 1997, Respondents received three loans as follows: (1) \$2,000 from Respondent Pete Fajardo; (2) \$2,000 from Paul Fajardo; and (3) \$3,000 from Ernesto Marza. On April 8, 1997, Respondents received a \$1,000 loan from Rosario Bonoan. According to statements made by Respondent Pete Fajardo, and by Paul Fajardo, Ernesto Marzo and Rosario Bonoan, to Commission Investigator Sandra Buckner, Respondents repaid the four loans in cash. By making four cash expenditures of \$100 or more totaling \$8,000, in the form of loan repayments, Respondents violated section 84300, subdivision (b).

Respondents Pete Fajardo and Committee were required to make all campaign expenditures from the campaign bank account. According to the bank records of Respondent Committee, Respondents did not deposit the funds used to repay the four loans into the campaign bank account of Respondent Committee before using the funds to repay the four loans. By making four campaign expenditures totaling \$8,000, without first depositing the funds in the campaign bank account of Respondent Committee, Respondents violated section 85201, subdivision (c).

COUNT 8

Failure to Itemize Contributions on Semi-annual Campaign Statement

Respondents Pete Fajardo, Committee and Antonio San Jose had a duty to report required information for any contributor of \$100 or more to Respondent Committee. On July 31, 1997, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period February 16 to June 30, 1997. During that period, according to Respondents' bank records, Respondents received 89 contributions of \$100 or more, totaling \$14,685, for which they did not itemize contributor information. The 89 contributions were as follows:

	Date	Contributor	Amount
1.	02/18/97	Embisan, Ellie	149

2.	02/18/97	Goldilocks Corporation of California	250
3.	02/18/97	Merton, Jose	150
4.	02/18/97	Santarina, Anita	150
5.	02/18/97	Enriquez, Antonio	150 (650)*
6.	02/18/97	Garcia, Eliseo	200
7.	02/18/97	B & R Impex	450 (1,450)*
8.	02/18/97	Foreman, Nena Fajardo	300
9.	02/18/97	Villareal, Natividad	200
10.	02/18/97	Lal, Dhyhan	100
11.	02/18/97	Mangabat, Ely	100
12.	02/18/97	Lapuz, Felix	100
13.	02/18/97	Gutierrez, Gloria	100
14.	02/18/97	Lingad, A Conrad	100
15.	02/18/97	Gali, Florentino	100
16.	02/18/97	Nanong, Priscilla	100
17.	02/18/97	Pineda, Lourdes	100
18.	02/18/97	Cachola, Ernesto	100
19.	02/18/97	Del Castillo, Laureano	100
20.	02/18/97	Guillermo, Juan	100
21.	02/18/97	Fajardo, Virginia	100
22.	02/18/97	Ongkeko, Erasto	100
23.	02/18/97	Gali, Nedine	100
24.	02/18/97	Angel, Gerry	100
25.	02/18/97	Casaclang, Cecilia	100
26.	02/18/97	Taylor, Gloria	100
27.	02/18/97	Evangelista, Osmundo	100
28.	02/18/97	McKinney, Everett	100
29.	02/18/97	Casiano, Carmelita	100
30.	02/18/97	Agpaoa, Leoncia	100
31.	02/18/97	Delos Reyes, Norma Ferrer	100
32.	02/18/97	Spennato, Jr., Peter	100
33.	02/18/97	Liwanag, Pablo	100
34.	02/18/97	Mercado, Jaime	100
35.	02/18/97	Fajardo, Julia	100
36.	02/18/97	Townsend, Thomas	100
37.	02/18/97	Bandong, F. M.	100
38.	02/18/97	Lee, Florentino	100
39.	02/18/97	Cedro, Fred	100
40.	02/18/97	Marzo, Ernesto	100
41.	02/18/97	Tingson, Fortunato	100
42.	02/18/97	Filipino American Community of Los Angeles	150
43.	02/18/97	Eric Cordeta	250
44.	02/18/97	DeLeon, Diosdado	100
45.	02/18/97	Fajardo, John	100

46.	02/18/97	Diaz, Franklin	100
47.	02/18/97	Care Nursing Services	100
48.	02/18/97	Torres, Norma	300
49.	02/18/97	RNJ Guns & Ammo	100
50.	02/18/97	Law Offices of Aquino & Aquino	100
51.	02/18/97	Nacilla, Ramon	100
52.	02/18/97	Fajardo, Maria	100
53.	02/18/97	Padilla, Elena	100
54.	02/18/97	Malicdem, Claudio	100
55.	02/18/97	Santa Fe Medical Office	100 (398)*
56.	02/18/97	Clarita Go Miraflor, Inc.	100
57.	02/18/97	Magno, Gil	100
58.	02/18/97	Goldilocks Bakery of Artesia	250
59.	02/18/97	Goldilocks Food Products	250
60.	02/18/97	Goldilocks of West Covina	250
61.	02/18/97	Laquihon, Anthony	100
62.	02/27/97	I & I Industries	100
63.	03/01/97	Ongkeko, Hermie	100
64.	03/01/97	Baldemor, Tirso	200
65.	03/07/97	Anciano, Edmund	198
66.	03/07/97	Santos, Errol	200
67.	03/07/97	Alvarez, Mariano	150
68.	03/07/97	Ferguson, David	150
69.	03/07/97	Thomas Safran	500
70.	03/07/97	Tri Star Toyota	1,000
71.	03/26/97	Colboth, Gary	100
72.	04/28/97	Gabuten, Eduardo	500
73.	04/28/97	Cu, Tomas	150 (348)*
74.	04/28/97	Relatores, Venit	100
75.	04/28/97	Del Rosario, Justina	200
76.	04/29/97	Hazelrigg Risk Management Services	990
77.	04/29/97	Budano, Eduardo	100
78.	04/29/97	Mejia, Paulino	100
79.	04/30/97	Verceles, Connie	100
80.	05/01/97	Martinez, Bernie	500
81.	05/01/97	Banaag, Alicia	198
82.	05/01/97	Gomez, Esperanza	100
83.	05/01/97	Diaz, Maria	100
84.	05/04/97	De Dios, Emelinda	200
85.	05/04/97	Ramirez, Evelyn	200
86.	05/04/97	Ballon, Carmelita	100
87.	05/03/97	Carigma, Ray	100
88.	05/03/97	Tessie Pacific Corp.	100 (200)*
89.	05/03/97	Denolo, Alpio	100

Total		\$14,685
* Cumulative amount received by Respondents in 1997 by specific contributor.		

By failing to report required information for 89 contributions of \$100 or more, Respondents violated section 84211, subdivision (f).

COUNT 9

Failure to Itemize Expenditures on Semi-annual Campaign Statement

Respondents Pete Fajardo and Committee had a duty to report required information for any campaign expenditure of \$100 or more made by Respondent Committee. On July 31, 1997, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period February 16 to June 30, 1997. During that period, according to Respondents' bank records, Respondents made expenditures totaling \$34,327. Respondents did not report required information for 12 expenditures of \$100 or more, totaling \$3,856, on the July 31, 1997 campaign statement. The 12 expenditures were as follows:

	Expenditure	Amount
1	Friends of Mario Bautista	100
2	Johnny Piscado	200
3	Manuel Ontal	859
4	Filbars Printing	300
5	Spidel Specialties	250
6	Pilipino American Alliance	500
7	Carson High School	100
8	Sparkletts	228
9	Burger King	118
10	Gem Promotion	200
11	Maxima Santos (Check Exhibit)	801
12	Lorna Escoban	200
		\$3,856

By failing to report required information for 12 expenditures of \$100 or more, Respondents violated section 84211, subdivision (k).

COUNT 10

Failure to Disclose the True Source of a Loan

Respondents Pete Fajardo and Committee had a duty to report required information for any loan of \$100 or more received by Respondent Committee. On January 31, 1998, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period July 1 through December 31, 1998. During that reporting period, on October 7, 1997, Respondent Pete Fajardo received a \$20,000 loan.

According to statements made by Respondent Pete Fajardo to Commission Investigator Sandra Buckner, the true source of the \$20,000 loan was his mother and his two sisters. On the January 31, 1998 campaign statement, however, Respondent Committee reported that Pete Fajardo was the source of the \$20,000 loan. By failing to report the true source of the \$20,000 loan, Respondents violated section 84211, subdivision (f).

COUNTS 11-12

Failure to Disclose Receipt of a Loan and Expenditure of Committee Funds

Respondents Pete Fajardo and Committee had a duty to report required information for any loan of \$100 or more received by Respondent Committee. On January 31, 1998, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement for the reporting period July 1 to December 31, 1997. During that reporting period, on October 17, 1997, Respondent Pete Fajardo received a \$10,000 loan. According to statements made by Respondent Pete Fajardo to Commission Investigator Sandra Buckner, the source of the \$10,000 loan was his sister-in-law. Respondents did not report the receipt of the \$10,000 loan on the January 31, 1998 semi-annual campaign statement. By failing to disclose the loan, Respondents violated section 84211, subdivision (f).

Respondents Pete Fajardo and Committee had a duty to report required information for any expenditure of \$100 or more made by Respondent Committee. According to the bank records of Respondent Committee, Respondents used the \$10,000 loan to pay for the legal services of Dana Reed and Associates. Respondents were required to report this expenditure on their January 31, 1998 campaign statement, but did not do so. By failing to disclose the \$10,000 expenditure on their January 31, 1998 campaign statement, Respondents violated section 84211, subdivision (k).

COUNT 13

Failure to Itemize Contributions on Semi-annual Campaign Statement

Respondents Pete Fajardo and Committee had a duty to report required information for any contributor of \$100 or more to Respondent Committee. On August 3, 1998, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period January 1 to June 30, 1998. During that period, according to Respondents' bank records, Respondents received 63 contributions of \$100 or more. Respondents failed to itemize 11 of these 63 contributions, which totaled \$5,800. The 11 contributions were as follows:

	Date	Contributor	Amount
1	05/14/98	168 America Recycling Company	250
2	05/18/98	Mastroianni Family Enterprises	2,500
3	05/18/98	Phillip, Paul	500
4	05/18/98	WBS Engineer Services	250
5	05/18/98	Cainglet, Jesus	250
6	05/18/98	Lopez, Delia	250
7	05/18/98	Pacleb, Demetrio	250

8	05/18/98	Tan, Mark	250
9	05/18/98	Lee, A. T.	250
10	05/18/98	Berg Power Engineers	250
11	05/29/98	Robertson, Donald	800
			\$5,800

By failing to report required information for 11 contributions of \$100 or more, Respondents violated section 84211, subdivision (f).

COUNT 14

Failure to Itemize Expenditures on Semi-annual Campaign Statement

Respondents Pete Fajardo and Committee had a duty to report required information for any campaign expenditure of \$100 or more made by Respondent Committee. On August 3, 1998, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period January 1 to June 30, 1998. During that period, according to Respondents' bank records, Respondents made expenditures totaling \$36,614. Respondents failed to itemize three expenditures of \$100 or more, totaling \$13,750. The three expenditures were as follows:

	Expenditure	Amount
1	Cenon Advincula	8,550
2	Manuel Ontal	5,000
3	NOSA	200
		\$13,750

By failing to report required information for three expenditures of \$100 or more, Respondents violated section 84211, subdivision (k).

COUNT 15

Failure to Deposit Contributions in Campaign Bank Account

Respondents Pete Fajardo and Committee were required to deposit all campaign contributions into the campaign bank account of Respondent Committee. According to Respondents' July 31, 1998 semi-annual campaign statement, during the reporting period January 1 through June 30, 1998, Respondents received 10 contributions totaling approximately \$6,000 from the following contributors: Brea Canon Oil; AMR Co.; Norm Wilson Construction; Nalco Chemical; Roy Murdock; Jeffrey Morgan; Mutual Liquid Gas; Cormier Chevrolet; Hook McCullough; and Forex Cargo. Respondents' bank records show that these contributions were not deposited in Respondent Committee's campaign bank account. By failing to deposit 10 contributions into the campaign bank account or Respondent Committee, Respondents violated section 85201, subdivision (b).

COUNT 16

Failure to Itemize Contributions on Semi-annual Campaign Statement

Respondents Pete Fajardo, Committee and Natividad Odal had a duty to report required information for any contributor of \$100 or more to Respondent Committee. On February 1, 1999, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period July 1 to December 31, 1998. During that period, according to Respondents' bank records, Respondents received 79 contributions of \$100 or more. Respondents failed to itemize 40 of these 79 contributions, which totaled \$9,074. The 40 contributions were as follows:

	Date	Contributor	Amount
1	09/14/98	Mangabat, Ely	119
2	09/26/98	Cedro, Fred	205
3	09/26/98	Fajardo, Virginia	590
4	09/26/98	Santos, Dion	100
5	09/26/98	Lopez, Delia	100
6	09/26/98	Olares, Ismael	198
7	09/26/98	Dela Cruz, Valeriana	198
8	09/26/98	Quitevis, Betty	149
9	09/26/98	Santa Fe Medical Office	198
10	10/02/98	Watson Land Company	1,000
11	10/05/98	Mar General Contracting	2,500
12	10/13/98	Uniplan Engineering Inc.	250
13	11/09/98	Ochoa, Jessie	100
14	11/09/98	Miraflor and Associates	100
15	11/09/98	Delfin, E. P.	100
16	11/09/98	VH Travel	100
17	11/09/98	Garcia, Elisio	100
18	11/09/98	Dimario, Edwina	100
19	11/09/98	Tumura, Elizabeth	100
20	11/09/98	Francisco, Armando	100
21	11/09/98	Wilshire Orthopaedic Associates	250
22	11/09/98	Amicable Homecare	100
23	11/09/98	Martinez, Maria	100
24	11/08/98	Tanada, Karen	140
25	11/09/98	Tayag, Victoria	100
26	11/09/98	Ordenez, Bernadette	100
27	11/09/98	Filart Investment Group	100
28	11/09/98	Cabrales, Luisita	105
29	11/16/98	Ferrer, Aniceta	175
30	11/16/98	Fajardo, Tiffany	140
31	11/16/98	Tingson, Fortunato	205
32	11/16/98	Nanong, Kimberly	100
33	11/16/98	Foreman, Nena Fajardo	140
34	11/16/98	Tawagan, Edita	140
35	11/16/98	Donerson, Audrey	197
36	11/16/98	Santiago, Guillermo	175

37	11/30/98	Radnia, Bijan	100
38	11/30/98	Agpaoa, Leoncia	100
39	11/30/98	Malana, Pablo	100
40	11/30/98	Bautista, Raymond	100
			\$9,074

By failing to report required information for 40 contributions of \$100 or more, Respondents violated section 84211, subdivision (f).

COUNT 17

Failure to Itemize Expenditures on Semi-annual Campaign Statement

Respondents Pete Fajardo, Committee and Natividad Odal had a duty to report required information for any campaign expenditure of \$100 or more made by Respondent Committee. On February 1, 1999, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period July 1 to December 31, 1998. During that period, according to Respondents' bank records, Respondents made expenditures totaling \$48,444. Respondents failed to itemize 15 expenditures of \$100 or more, totaling \$10,669. The expenditures were as follows:

	Expenditure	Amount
1	Copies N Print	1,847
2	CASA Filipina Restaurant	3,190
3	Dominic Casiano	1,030
4	Pilipino American Alliance	480
5	Flowers by Demetrio	200
6	Jonathan Pausacola	300
7	Reflections	150
8	Fortune Express	165
9	AMAC	737
10	Gerry Galvez	300
11	St. Vincente de Paul	125
12	Willie de Castro	150
13	SCAN	150
14	Willington Signs	1,082
15	Colby Poster	763
		\$10,669

By failing to report required information for 15 expenditures of \$100 or more, Respondents violated section 84211, subdivision (k).

COUNT 18

Failure to Itemize Expenditures Made by Agents on Semi-annual Campaign Statement

Respondents Pete Fajardo, Committee and Natividad Odal had a duty to report required

information for any campaign expenditure of \$100 or more made by an agent of Respondent Committee. On February 1, 1999, according to records maintained by the Carson City Clerk's Office, Respondents filed a semi-annual campaign statement, for the reporting period July 1 to December 31, 1998. During that period, according to Respondents' bank records, Respondents made expenditures totaling \$48,444. Respondents failed to disclose required information for six expenditures of \$100 or more, totaling \$5,662, that were made by committee volunteers. The six payments made by Respondent Committee to the volunteers were as follows:

	Date	Committee Volunteer Receiving Reimbursement	Amount
1	10/21/98	Clara Fajardo	2,284
2	11/12/98	Emma Castaneda	1,010
3	11/12/98	Ringie Fajardo	1,200
4	11/27/98	Emma Castaneda	500
5	11/28/98	Clara Fajardo	323
6	12/12/98	Virginia Fajardo	345
			\$5,662

By failing to report required information for six expenditures made by committee volunteers, Respondents violated section 84303.

CONCLUSION

This matter consists of 18 counts, which carries a maximum possible administrative penalty of Thirty-six Thousand Dollars (\$36,000).

In this matter, Respondents repeatedly failed to report required information regarding the financial activities of Respondent Committee for two years during five separate reporting periods. In addition, Respondents repeatedly failed to adhere to the strict requirement that contributions and expenditures be made by written instrument only. Finally, Respondents repeatedly failed to adhere to the strict requirement that all campaign funds be deposited and spent from a single campaign bank account. As Respondents' conduct demonstrates a pattern of negligence, the imposition of \$2,000 per violation is appropriate.

Accordingly, the facts of this case justify the imposition of a total administrative penalty of Thirty-six Thousand Dollars (\$36,000).